

Washington State Auditor's Office

Audit Report

Audit Services

Report No. 5744

OFFICE OF THE GOVERNOR

Agency No. 075

July 1, 1995 Through June 30, 1996

Issue Date: January 24, 1997

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OFFICE OF THE GOVERNOR
Agency No. 075
July 1, 1995 Through June 30, 1996

Overview

We performed the statewide single audit of the state of Washington for the fiscal year ended June 30, 1996. In accordance with the Single Audit Act of 1984, we audited the state as an entity, rather than each agency separately. The results of this audit will be published in a statewide single audit report which includes the following:

- An opinion on the financial statements.
- A report on internal control structure-related matters based solely on an assessment of control risk made as part of the audit of the financial statements.
- A report on compliance with laws and regulations that may have a material effect on the financial statements.
- An opinion on supplementary Schedule of Federal Financial Assistance.
- A report on internal controls over federal financial assistance.
- An opinion on compliance with specific requirements applicable to major federal financial assistance programs.
- A report on compliance with general requirements applicable to federal financial assistance programs.
- A report on compliance with laws and regulations applicable to nonmajor federal financial assistance program transactions tested.
- A Schedule of Findings and Schedule of Questioned Costs.

The work performed at the Office of the Governor included procedures to satisfy the requirements of the 1996 statewide single audit and supplemental reviews and tests deemed necessary in the circumstances.

There was a finding, which is listed in the Schedule of Findings following this Overview, for the Office of the Governor.

Brian Sonntag
State Auditor

January 2, 1997

OFFICE OF THE GOVERNOR
Agency No. 075
July 1, 1995 Through June 30, 1996

Schedule Of Findings

1. The Office Of The Governor Should Comply With Purchasing Laws And Regulations

Our audit of the Office of the Governor's purchasing system revealed the following instances of noncompliance with state purchasing regulations:

- a. General Authorities, Section G.1, as set forth by the Office of State Procurement, Department of General Administration, states in part:

An agency may conduct a purchase if it is \$10,000 or less except when the item is:

- a. On mandatory state contract,
- b. A mandatory item at Central Stores,
- c. A purchase required to be referred to OSP,
- d. Otherwise covered by the General Authorities G2 through G5: this authority does not apply.

The Office of the Governor purchased office supplies totaling \$10,280 during the year. Of this amount, \$7,150 in supplies were purchased from a local office supply store instead of from Central Stores as required by b. above.

- b. Section P.4 of the General Authorities states in part:

- a. Purchases between \$800 up to \$35,000 are to be competitively solicited and documented with a Record of Competition.

A single purchase of general office supplies, in the amount of \$2,951, was not competitively solicited.

- c. A U.S. Bank Card was used to purchase miscellaneous supplies during the year instead of the Seafirst Bankcard Services credit cards required by General Administrations mandatory use Contract No. 07089.

Purchasing goods from vendors without considering state contracts or regulations could result in unnecessary costs.

The disbursements made for goods and services above occurred because management did not have adequate knowledge of the state purchasing regulations.

We recommend that the Office of the Governor comply with purchasing laws and regulations established by the Office of State Procurement, Department of General Administration, when purchasing goods or services.

Auditee's Response

The Governor's office has attempted to comply with the purchasing laws and regulations established by the Office of State Procurement, Department of General Administration when purchasing goods or services. Our response to each condition is as follows:

- a. Items are often required by the Office of the Governor that are not available from Central Stores, or the delivery schedule cannot accommodate the special needs of the Governor's Office. Items are then purchased from a woman-owned business to help the Governor's Office achieve OMWBE goals.*
- b. The single purchase that was not competitively solicited was a one-time error made by an employee at the end of the fiscal year.*
- c. The U.S. Bankcard used in lieu of the required Seafirst Bankcard Services has subsequently been canceled.*

Auditor's Concluding Remarks

We recognize the uniqueness of the needs of the Governor's Office, however, the purchasing laws and regulations are applicable to all agencies. We reaffirm our finding.